

## Message Text

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ACTION SS-30

INFO OCT-01 ISO-00 /031 W

----- 121496

R 231150Z SEP 74

FM AMEMBASSY PHNOM PENH

TO SECSTATE WASHDC 7791

C O N F I D E N T I A L SECTION 1 OF 2 PHNOM PENH 12754

EXDIS

E.O. 11652: GDS

TAGS: PFOR, PINT, CB, UN, US

SUBJECT: CALL ON LON NOL AFTER RETURNING FROM CONSULTATIONS

1. ON SEPTEMBER 23 I CALLED ON PRESIDENT LON NOL TO REVIEW WITH HIM IMPRESSIONS GAINED DURING MY CONSULTATIONS IN WASHINGTON AND TO IMPRESS ON HIM NEED TO MAINTAIN MILITARY/POLITICAL/SOCIAL EQUILIBRIUM IN CAMBODIA DURING CRUCIAL PERIOD AHEAD.

2. IN SHARING WITH LON NOL RESULTS OF CONSULTATIONS, I STRESSED PREOCCUPATION OF AMERICAN LEGISLATORS WITH DOMESTIC PROBLEMS -- FIGHTING INFLATION -- AND THEIR RELUCTANCE TO VOTE LARGE AMOUNTS FOR FOREIGN ASSISTANCE IN GENERAL AND FOR CAMBODIA IN PARTICULAR. I ALSO EXPLAINED TO LON NOL SOME OF THE RESTRICTIONS PROPOSED BY THE SENATE ON ASSISTANCE TO CAMBODIA WHICH, IF ADOPTED, WOULD SEVERELY AFFECT OUR PROGRAMS HERE. WHILE THE PROPOSED LEGISLATION HAS NOT YET BEEN ADOPTED, I OPINED THAT WE WILL PROBABLY HAVE LESS TOTAL ASSISTANCE AVAILABLE THIS FISCAL YEAR FOR KHMER REPUBLIC THAN LAST YEAR. SERIOUSNESS OF THIS SITUATION WAS COMPOUNDED BY LARGE INCREASE IN PRICE OF AMERICAN MUNITIONS AND INCREASED KHMER RICE REQUIREMENTS FOR EVER-GROWING NUMBER OF REFUGEES SEEKING PROTECTION IN GKR ZONE. IN SHORT, I SAID, LESS MONEY IN ABSOLUTE TERMS WOULD PROBABLY BE AVAILABLE TO MEET INCREASED KHMER REQUIREMENTS. WITHOUT AWAITING OUTCOME ON FOREIGN AID BILL, I URGED GKR TO

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TIGHTEN THEIR BELTS AND ABOVE ALL FOR FANK TO REDUCE

AMMUNITION CONSUMPTION IN ORDER TO ADJUST TO WHAT I EXPECT WILL BE LOWER AID LEVELS.

3. LON NOL LISTENED IN SILENCE TO THIS REALISTIC PRESENTATION OF AID PROSPECTS, FROM WHERE I WENT ON TO GIVE HIM OUR LATEST READING ON THE KHMER CREDENTIALS ISSUE IN THE UNGA. I PRAISED EFFORTS MADE BY KHMER UN MISSION IN NEW YORK AND ITS CLOSE WORKING RELATIONSHIP WITH OTHER AISAN COUNTRIES AND WITH USUN IN FORMULATING STRATEGY AND RESOLUTION TO PRESERVE KHMER SEAT FOR GKR. IN REPLY TO DIRECT QUESTION, I SAID THAT TO BEST MY KNOWLEDGE GKR IS STILL AT LEAST FIVE VOTES BEHIND BUT I REMAINED OPTIMISTIC GKR WOULD NOT BE EXCLUDED FROM UN. LON NOL SAID THAT EXCLUSION OF PHNOM PENH FROM UN WOULD NOT ONLY BE DEFEAT FOR HIS REGIME BUT WOULD MAKE SIHANOUK EVEN "MORE INTRACTABLE". LON NOL EXPRESSED HIS GRATITUDE FOR CONSIDERABLE USG EFFORTS ON BEHALF OF GKR IN UN, ON WHICH HE APPEARED TO BE WELL BRIEFED BY HIS MISSION IN NEW YORK.

4. WHILE AMERICAN AID PROSPECTS AND THE CHALLENGE TO GKR IN THE UN PRESENTED SERIOUS PROBLEMS FOR PHNOM PENH, I CONCLUDED THAT FOR TIME BEING MOST IMPORTANT CONTRIBU- TION LON NOL COULD MAKE TOWARD AN EVENTUAL SETTLEMENT WAS TO MAINTAIN WITHIN KHMER REPUBLIC MAXIMUM POLITICAL/ MILITARY/SOCIAL STABILITY. THIS REMARK LED TO DISCUSSION OF UNREST CREATED BY RECENT ECONOMIC AND FINANCIAL REFORMS. SPECIFICALLY, LON NOL CITED INCIDENTS OF RIOTING AND LOOTING IN SOME PROVINCIAL CAPITALS BECAUSE OF CONSIDERABLE INCREASE IN RICE PRICE WHICH HAD NOT YET BEEN OFFSET BY SALARY INCREASES. PRESIDENT ALSO MENTIONED THAT SOME DISSATISFIED ELEMENTS WERE TALKING ABOUT ANTI-GOVERNMENT AND DEMONSTRATIONS NEXT MONTH BUT THAT HE HOPED THIS UNREST WOULD BE CALMED ONCE MILITARY AND CIVILIANS BECAME AWARE OF SIGNIFICANT WAGE INCREASES. I STRESSED THAT RIOTING AND DEMONSTRATIONS IN PHNOM PENH WOULD SURELY ADVERSELY AFFECT GKR CAUSE IN THE UNITED NATIONS. LON NOL SAID HE WILL GO BEFORE JOINT SESSION OF KHMER LEGISLATURE TOMORROW TO EXPLAIN REFORM MEASURES AND IN THIS CONTEXT

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THANKED ME FOR COMPROMISE SOLUTION HAMMERED OUT YESTER- DAY AT EMBASSY IN ALIGNING COMPENSATION OF TERRITORIAL FORCES WITH THAT OF CIVILIANS (REPORTED SEPTTEL). LON NOL SAID HE WOULD DO EVERYTHING HE COULD TO MAINTAIN THE POLITICAL/SOCIAL/MILITARY EQUILIBRIUM DURING THE CRITICAL WEEKS AHEAD.

5. I TOOK ADVANTAGE OF THIS MEETING TO CALL THE

MARSHAL'S ATTENTION TO TWO PARTICULARLY INEPT FANK REGIONAL COMMANDERS -- THE ONE IN BATTAMBANG AND THE ONE IN KOMPONG SOM. THE FORMER IS BEST KNOWN FOR CORRUPTION AND MILITARY INEFFECTIVENESS WHILE THE LATTER HAS DEMONSTRATED HIS FAILURE TO TAKE MILITARY OFFENSIVE AND LATELY TO CONTROL RICE LOOTING. THE MARSHAL SAID HE PLANNED TO RELIEVE BOTH SHORTLY. (IF THIS OCCURS, IT WOULD BE WELL RECEIVED BY THE REMAINING HONEST, HARDWORKING MILITARY IN THIS COUNTRY.)

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ACTION SS-30

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C O N F I D E N T I A L SECTION 2 OF 2 PHNOM PENH 12754

EXDIS

6. I ALSO CRITICIZED THE ABSENCE FROM CAMBODIA OF SO MANY KEY KHMER GOVERNMENT OFFICIALS. SPECIFICALLY I POINTED TO DEPARTURE FOR WASHINGTON OF MINISTER OF FINANCE AND GOVERNOR NATIONAL BANK TO ATTEND IMF CONFERENCE BUT CONSIDERED 10-DAY VACATION EN ROUTE TO BE IRRESPONSIBLE ACT IN VIEW NEED TO ANSWER CRITICISM OF REFORM PACKAGE PROMULGATED LAST WEEK. I ALSO QUESTIONED NEED FOR THESE OFFICIALS TO GO FOR ANOTHER BOONDOGGLE TO TOKYO FOLLOWING THE IMF CONFERENCE. I FURTHER SUGGESTED THAT PRIME MINISTER LONG BORET SHOULD ONLY REMAIN IN NEW YORK AFTER DELIVERY OF HIS UNGA SPEECH IF KHMER ISSUE IS TO BE DEBATED SHORTLY THEREAFTER. OTHERWISE I THOUGHT IT PREFERABLE FOR LONG BORET TO RETURN TO PHNOM PENH AND THEN GO BACK TO NEW YORK ONCE DATE SET FOR KHMER CREDENTIALS DEBATE. FINALLY, I SAID I HAD DISCOURAGED CINC FANK GENERAL SOSTHENE FERNANDEZ FROM GOING OFF LATER THIS WEEK ON AN EXTENDED CEREMONIAL VISIT TO SEOUL AND TAIPEI. ALL THESE LEADERS ARE MORE NEEDED IN PHNOM PENH TO RUN THE COUNTRY THAN

AT MEETINGS OF NO DIRECT BEARING ON THE IMMEDIATE FUTURE OF THE KHMER REPUBLIC. I AM INCLINED TO BELIEVE MARSHAL WILL GET WORD TO THESE "MIGRATORY BIRDS" TO RETURN TO PHNOM PENH AS SOON AS COMMITMENTS PERMIT.

7. WHILE INCOURSE OF CONVERSATION LON NON'S NAME WAS NOT MENTIONED, I INDIRECTLY REFERRED TO IT BY EXPRESSING KEEN DISAPPOINTMENT WITH RETURN TO PHNOM PENH OF KHMER OFFICIALS WHO MIGHT CAUSE DISRUPTION.  
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HE UNDERSTOOD MY REFERENCE AND ASSURED ME THAT HE WOULD DO ALL HE COULD TO MAINTAIN POLITICAL STABILITY.

8. COMMENT: LON NOL LOOKED TIRED AND COMPLAINED OF A COLD THAT HAD PLAGUED HIM FOR TWO WEEKS. TOMORROW U.S. MEDICAL TECHNICAL WILL FIT HIM WITH A NEW, LESS VISIBLE BRACE TO SUPPORT HIS LEFT LEG. IN COURSE OF CONVERSATION HE CONTINUED TO DISPLAY UNLIMITED FAITH IN AMERICA, AND THAT SOMEHOW USG WOULD WAVE SOME MAGIC WAND AND EVERYTHING WOULD TURN OUT ALL RIGHT. ON SEVERAL OCCASIONS HE REPEATED THAT AFTER WHAT USG HAD DONE OVER LAST DECADE IN SOUTHEAST ASIA, USG WOULD NOT ABANDON ITS FRIENDS. HIS CONFIDENCE IN AMERICA'S STEADFASTNESS, RELIABILITY AND STRENGTH WAS TOUCHING BUT PERHAPS A BIT NAIVE OR JUST SELF-DECEIVING. I FELT BAD AFTER LEAVING HIS OFFICE\*  
DEAN

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## Message Attributes

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